



RAILROAD SITUATION

Committee Hears Debate on the Subject.

OVER COMMISSION BILL

Cotton Defends Roads Vigorously Against the New Measure.

OVER-CENTRALIZE THE POWER

Declares Main Source of Complaints is Not Regulation of Rates, But a Shortage of Cars, Which Bill Barely Includes.

SALEM, Ore., Jan. 29.—For hours the railroad situation in Oregon was threshed over before the Senate and House railroad committees last evening, sitting in joint open meeting. The Chapin measure, H. R. 2, providing for a Railroad Commission appointed by the governor and embracing reciprocal demurrage, was under consideration.

This was the first step taken by the legislature in considering railroad legislation, and it was considered so important that shippers, lumbermen, warehousemen, jobbers and railroad representatives flocked to Salem from one end of the Willamette valley to the other.

Teal made the first move by suggesting that those who had objections state them, although apparently, he said, everyone was in favor of the bill.

Votton came to the floor in a jiffy. He declared the Commission would be expected to seek trouble all the time, and that if it did not it would be held up to ridicule; that the Commission would arbitrarily fix rates without the railroads having an opportunity to go into the courts for revision; that in regard to car shortage, all the Commission could do would be to suspend the law, and if that was to be the case, it would be better not to create an expensive commission when it would be more simple and inexpensive to give the governor the power.

Cotton warned the legislators against placing the power to regulate rates in the hands of any three men, such power being too great, but the lawyer was finally forced to admit that one railroad man now makes the rates.

Teal and Muir denied Cotton's assertions down the line, taking up each point. For every list of statistics the railroad presented the friends of the bill had an equal number, equally convincing. Teal declared the whole railroad system of Oregon is centered in one man, yet that the railroads thought three men incompetent to make rates. Teal contended it was the duty of the legislature to give the people a forum to which they could go with complaints, and that the most important phase of the car situation is not reciprocal demurrage, but the power of inquiry into the equipment. Cotton suggested that the personnel of the transportation committee of the Chamber of Commerce be investigated and said that the measure should be entitled "A bill to let Portland sell goods to Baker City and Ashland and prohibit others from selling to those points." Muir replied that Cotton was directing too much animosity against men who wanted to see if they could try to deal with the railroads, and declared that the work taken up by the Portland commercial bodies had been approved by the people at large. "This is not anti-railroad legislation," exclaimed Muir. "The spirit in

which the bill was drafted was to be perfectly fair and just. This is not a rate measure, but a bill to control the railroads. A legal rate is one bringing the railroads a fair return on the investment."

"Politics was never thought of in preparing this bill," continued Muir. "The idea is to concentrate the power in the hands of one man—the governor—and not let him behind a bush."

Mr. Cotton prefaced his argument with the statement that there was no general rate complaint; that if there was he could see a demand for a railroad commission, but that the main thing the people suffer from is car shortage.

"This bill has nothing to do with car shortage, except section 25, inserted a few days ago and relating to reciprocal demurrage," said he. "The only duty of the commission under this section is to suspend the law, so why not give the governor this power, and save the state the expense of a commission?"

Contending that the Railroad Commission has for its primary object the regulation of rates, Cotton went into a long explanation of rates.

Under the bill, there would be no chance for the railroad or a private citizen to review the rates, and rates cannot be set aside because they are unreasonable, but only because they are unlawful. "If we gave the Portland jobbers a rate to Boise City there would never be a demand for the rates of Oregon to be reduced. Portland traders wanted a rate which would compel Boise to buy its Eastern goods from Portland alone."

"I've no objection to the commission making a rate," added Cotton, "and putting it into effect, providing it is just and reasonable. We want the privilege of going into court and showing a rate is not right. If you want a commission, put a rate into effect, but give us a half-way decent appeal. Let the commission act when someone complains. Don't be carried away by anti-railroad complaints. Business men don't draft such bills unless in their own interests."

EXCUSE TWO JURORS

Surprise Caused by Sudden Action of Counsels in Thaw Trial.

NO REASONS WERE GIVEN

Motion for Excuse Was Made by District Attorney and Sanctioned by Counsel for the Defense—Loss Is Offset.

NEW YORK, Jan. 29.—The first big surprise in the Thaw trial came today when on motion of District Attorney Jerome with the consent of the defendant's counsel, Jurors Arthur S. Campbell and Harold R. Faire were excused by the court "without any reflection whatever on the jurymen." District Attorney Jerome said the reason for this action was not to be made public, but they are of a business nature. When questioned afterward Faire said his being excused came as a complete surprise to him and he is in ignorance of the reason. Campbell said he had too much respect for the court to grant an interview. Two new jurors were secured today, thus offsetting the loss. Forty-six talesmen were examined, using up the original panel of 200 men and taking 18 from the new panel of 100. One new juror is John S. Dennee, a traveling freight agent, 38 years old, unmarried, and a native of New Orleans. He is known as Juror No. 10. Thaw showed plainly his satisfaction when the Southern was chosen. David S. Walker was selected to replace Juror No. 4. He is a real estate broker, 34 years old, unmarried, and a son of John Brisbane Walker. Members of the Thaw family were all in court today and frequently chatted with one another, thus disarming reports of family quarrels.

FOR LOGICAL ASSESSMENT

Joint Committee Moves to Adjust Taxes.

BILLS ARE IMPORTANT

Railroads Will Get Radical Raise in Assessments on Trackage.

WOULD TAX ALL WATER POWER

New Bills Before Committee Favor Extensive Changes in Present Slip-Shod Methods of Appraising Value of Property.

SALEM, Ore., Jan. 29.—Things commenced to happen right after the adjournment of the House yesterday afternoon. Most of them occurred in the joint committee meeting of the Assessment and Taxation committee of the Senate and House, which met with representatives of the Oregon Tax Assessors' Association and the State Tax Commission appointed at the last session of the legislature. Clyde B. Althauson represented the Commission, which was composed of F. W. Mulkey, W. J. Lachner and E. B. Seabrook.

House bill 89, the first examined, provides that the assessors shall have until the third Monday in October to make their returns, instead of the first Monday in September, as at present. The bill provides that the assessors shall take into consideration the earning value of real property, when making his list of values and this was what caused the first stir in the committee.

Assessors, Sigler among them, and other members of the committee, thought that the earning power of city property was the only real criterion of what such property was worth, and after a debate the subject was passed. This will be one of the fighting grounds for the committee, but it looks now as though this instruction to assessors would be incorporated in the law recommended by the joint committee.

This bill also provides that water power shall be taxed as realty at full value. Assessors present stated that in some counties there was as much as \$3,000,000 worth of water power utilized that was not paying a cent of taxes. A last important provision of the law was that persons not making a return of personal property shall be guilty of a misdemeanor and liable to a fine of \$50; the present fine is \$20, and is not heavy enough, in the opinion of assessors to make the section of the present law, relating to personal property effective.

House bill 85 is an attempt to break away from the local taxation system of taxing banks. The bill provides that banks shall return all property held by them or owned by them of any sort at its face value, and generally gives the assessors a leverage on these corporations that, according to statements made by assessors present at the committee hearing, had been escaping with a tax on capital stock, when in many cases they were returning a profit each year of 300 per cent on the capital invested by carrying deposits greatly over the amount of their capital and making large and profitable realty investments. Another thing pointed out in this connection by Assessor Sigler was that banks holding large tracts of real estate gave these in at the price they were purchased for, when in a majority of in-

stances the property was worth much more.

House bill 87 was the last taken up by the committee. This is a bill to create a State Board of Tax Commissioners, consisting of the governor, secretary of state, state treasurer and two experts. This board shall fix one rate through the state for railroads on each mile of roadbed and in general shall deal with the question of taxing general public service corporations. It was shown that Oregon was one of the four states that still clung to the old system of local taxation of big general interests, and the committee without dissent agreed that a better method was necessary.

The Commission showed that the O. R. & N. and Southern Pacific were assessed from \$6,000 to \$18,000 a mile according to the ideas of the various county assessors.

It developed, according to the reports of the Commission and the assessors present, that the usual rule had been through the state to assess railroads at what it was thought they would pay without making a fight. This had resulted in the railroads escaping often with a per mile valuation of \$6,000 or less, when in fact the Harriman system was returning dividends an interest on a valuation in the state of about \$60,000 a mile.

After House bill No. 87 had been presented by the Commission, the committee adjourned.

RELIEF REMOTE.

Snow Blockade and Fuel Famine Combine Against Middle West.

MINNEAPOLIS, Jan. 29.—The snow blockade and fuel famine in the northwest continues and relief seems as remote as ever. Another snow storm has swept North Dakota and Minnesota, and from points on the railroad come reports of stalled trains, deserted engines and snow plows. Hundreds of cars of coal and provisions started westward, may not reach their destination for days or weeks.

LARGE WORKS BURN

Plant Partly Destroyed by Flames Started in Paint Shop

LOSS IS A MILLION DOLLARS

One Thousand Men Employed in Destroyed Building Escape—Wall Tumbles on Four Men, But None Seriously Hurt.

PHILADELPHIA, Jan. 29.—A fire which started with an explosion in a paint shop destroyed an entire section of the big Baldwin Locomotive works tonight, entailing a loss of \$1,000,000. The destroyed building was about 175 feet long by 150 deep immediately adjoining the main office at Broad and Spring Garden streets. These with several other buildings were threatened. The entire fire department was called out. All of the one thousand men employed in the destroyed building escaped safely, notwithstanding the flames spread quickly. Shortly after the fire started the upper portion of the wall on Spring Garden street fell and one fireman and three workmen were caught by the falling bricks. They were immediately rescued with but slight injuries. The flames were put under control within an hour after the fire broke out. The fire will not greatly hinder work, as the departments destroyed were duplicated in other parts of the plant.

BRICKS GO UP.

SAN FRANCISCO, Jan. 29.—The price of brick has been raised to \$12.50 per thousand from \$10, the price which has ruled for a long time past. The brick industry of San Francisco is in the hands of four concerns, two of which are located in this city.

CONTROL ALL CALIFORNIA

Three Roads Have Freight Traffic at Mercy.

OPERATE IN COMMON

Harriman Paid Over Million for Outlet for Wheat Shipping.

SCHWERIN GIVES EVIDENCE

General Manager of the Pacific Mail Steamship Company Before the Commission—Railroad Officials Enter Testimony.

SAN FRANCISCO, Jan. 29.—Interstate Commerce Commissioner Lane today commenced an investigation into the relations between the Southern Pacific, Union Pacific and Santa Fe railroads, and the result of these relations, with a view of determining in what particulars, if any, these roads have violated the Interstate Commerce laws. It developed early in the hearing that the Southern and Union Pacifics, which are now one, and the Santa Fe, have entered into an alliance and between them they control the rail transportation of the Pacific Coast south of Oregon.

Vice President Payson of the Santa Fe and John D. Spreckels gave interesting testimony. Under the questioning of Counsel Severance for the government, Captain Payson went into the joint organization by the Southern Pacific and Santa Fe, of the Northwestern Pacific Company, and to the joint ownership of the Short Line leading out of Bakersfield and operated alternately by the two roads. He also testified that a Southern Pacific line from Mojave to Needles is leased to the Santa Fe. Spreckels testified to the purchase by President Harriman for \$1,300,000 of the Coos Bay and Coquille Valley Railroad Company; the Coos Bay, Roseburg and Eastern Railway and Navigation Company, some coal properties and a steamship line. They cost Spreckels' company \$1,000,000. Spreckels says he does not believe the Southern Pacific was after the coal property, but that it wanted an outlet for wheat traffic from Roseburg and from Portland to tide-water.

The witness said so far as he knew no other road was competing with the Southern Pacific in the purchase of the road, nor surveying for another similar road, although he had heard reports that the Rock Island road had been looking that way. R. P. Schwerin, general manager of the Pacific Mail Steamship Company testified that his company alternately gives cargoes from his ships, first to the Southern Pacific and next to the Santa Fe. He said this was an arbitrary practice and liable to be changed any time. He said he aimed to give the Santa Fe about the same amount of business the Santa Fe gave him. "The Southern Pacific," said Schwerin, "will never interfere with any ship under this management."

"Then Mr. Stubbs looks on you as a rank outsider?" observed Severance.

"Absolutely, to my great regret."

Schwerin then gave more details of his arrangements with the two roads. He said at one time he told the Southern Pacific he would not give them any more business if they didn't give better car service. He said this didn't bring any remonstrance from the owners of any of the stock.

HOTEL AT NORTH BEND.

Four-Story Structure to be Erected at That Place.

NORTH BEND, Ore., Jan. 29.—Containing 140 rooms and covering a ground space of 108 by 132 feet, a \$50,000 hotel will be erected in North Bend, construction to start in four weeks. Money is furnished by Mayor L. J. Simpson, of this city, and Seymour H. Bell and Henry H. Hewitt, of Tacoma. The trio is also behind the proposed Coos Bay Electric Railway & Gas Works.

The hotel will be the first four-story building to be erected in North Bend. Steam heat and an electric elevator, both heretofore unknown in North Bend, will be installed. Every room will be fitted with a telephone. The building will be a frame structure resting on a concrete foundation.

OLIVER GETS PARTNER.

Bidder for Canal Construction Backed by Bank President.

WASHINGTON, Jan. 29.—William Olliver, whose bid to construct the Panama canal has been accepted, authorized the Associated Press tonight to say that he has entered into partnership with Frederick C. Stevens, president of the Commercial National Bank of this city.

WELCOME DOUBTFUL.

SALT LAKE, Jan. 29.—By a margin of one vote the state House of Representatives today invited W. J. Bryan to deliver an address to them during his coming visit to Salt Lake. Fourteen Republicans voted with the Democrats to carry the motion.

DROWNED AT COOKTOWN.

BRISBANE, Australia, Jan. 29.—The government schooner Pilot was wrecked in the recent cyclone at Cooktown. Seven were drowned, including Hargreaves, a member of the Queensland legislature.

MANY LOSE LIVES

Explosion in West Virginia Mine Entombs Eighty Workers.

ALL PERISHED INSTANTLY

Two Hundred Men Were in Shaft at Time, but Majority Escaped Unhurt—Efforts Made to Reach Buried Bodies.

CHARLESTON, W. Va., Jan. 29.—With a detonation heard for miles around and hurling debris hundreds of feet into the air, dust in the Stuart mine near Fayetteville exploded this afternoon, bringing terrible death to eighty or more men at work 500 feet below the surface. There is no chance that any will be taken out alive, for it is thought the terrific force of the explosion snuffed out their lives instantly. Though rescuers cannot reach the bottom of the shaft for forty-eight hours, every effort is being made to reach the entombed men, but there is little hope any of them are alive. At the time of the explosion about 200 men were in the shaft. Of the unknown dead 36 are white and ten negroes. In addition to the number of white Americans who have taken employment at the mine so recently that their names are not known to their fellow workmen, about 20 foreigners, whose names are not known, were also killed, it is thought.

At least fifty or sixty persons are dead at a result of the explosion at the Stuart mine tonight, according to the latest reports received. The death list may total seventy-five.

AMERICANS GET CONTRACT

RIO JANEIRO, Jan. 29.—An American company has been authorized to build a harbor at Rio Grande de Sul.